

Senate Study Bill 1150 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL BY
CHAIRPERSON DANIELSON)

A BILL FOR

1 An Act authorizing the Iowa state fair board to establish an
2 endowment fund to receive gifts in trust dedicated to the
3 maintenance and improvement of the Iowa state fairgrounds.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 22.7, subsection 52, paragraph a,
2 unnumbered paragraph 1, Code 2011, is amended to read as
3 follows:

4 The following records relating to a charitable donation made
5 to a foundation acting solely for the support of an institution
6 governed by the state board of regents, to the board of the
7 Iowa state fair foundation when the record relates to a gift
8 for deposit in or expenditure from the Iowa state fairgrounds
9 trust fund as provided in section 173.22A, to a foundation
10 acting solely for the support of an institution governed by
11 chapter 260C, to a private foundation as defined in section
12 509 of the Internal Revenue Code organized for the support of
13 a government body, or to an endow Iowa qualified community
14 foundation, as defined in section 15E.303, organized for the
15 support of a government body:

16 Sec. 2. Section 173.11, subsection 3, Code 2011, is amended
17 to read as follows:

18 3. Administer the ~~funds~~ foundation fund under the control of
19 the Iowa state fair foundation, in its capacity as the board
20 of the Iowa state fair foundation, as directed by the board
21 ~~and.~~ The treasurer shall administer the fund in accordance
22 with procedures of the treasurer of state, and maintain a
23 correct account of receipts and disbursements of assets of the
24 foundation fund.

25 Sec. 3. Section 173.14, subsection 11, Code 2011, is amended
26 to read as follows:

27 11. Administer the Iowa state fair foundation created in
28 section 173.22 in its capacity as the board of the Iowa state
29 fair foundation.

30 a. In administering The board shall administer the
31 foundation the board shall authorize fund by authorizing all
32 payments from the foundation fund. The board on behalf of the
33 foundation fund may contract, sue and be sued, and adopt rules
34 necessary to carry out the provisions of this subsection, but
35 the board in administering the foundation fund shall not in any

1 manner, directly or indirectly, pledge the credit of the state.

2 b. The board shall administer the Iowa state fairgrounds
3 trust fund as trustees of an institutional endowment fund as
4 provided in section 173.22A.

5 Sec. 4. Section 173.22, Code 2011, is amended to read as
6 follows:

7 **173.22 Iowa state fair foundation — foundation fund.**

8 1. An Iowa state fair foundation is established under the
9 authority of the Iowa state fair board.

10 2. A foundation fund is created within the state treasury
11 composed of moneys appropriated or available to and obtained or
12 accepted by the foundation. The foundation fund shall include
13 moneys credited to the fund as provided in section 422.12D.

14 3. The foundation may solicit or accept gifts, including
15 donations and bequests. A gift, to the greatest extent
16 possible, shall be used according to the expressed desires of
17 the person providing the gift.

18 4. ~~Assets of~~ Moneys in the foundation fund shall be
19 used to support foundation activities, including foundation
20 administration, or capital projects or major maintenance
21 improvements at the Iowa state fairgrounds or to property under
22 the control of the board.

23 5. a. Foundation moneys credited to the foundation fund
24 may be expended on a matching basis with public moneys or Iowa
25 state fair authority receipts. All interest earned on moneys
26 in the foundation fund ~~or through other foundation assets~~ shall
27 be credited to and remain in the fund. Section 8.33 does not
28 apply to moneys in the fund.

29 b. The auditor of state shall conduct regular audits of the
30 foundation fund and shall make a certified report relating to
31 the condition of the ~~foundation and the~~ foundation fund to the
32 treasurer of the state, and to the treasurer and secretary of
33 the state fair board.

34 Sec. 5. NEW SECTION. **173.22A Iowa state fairgrounds trust**
35 **fund.**

1 1. An Iowa state fairgrounds trust fund is created as an
2 endowment fund under the authority and in the custody of the
3 Iowa state fair board in its capacity as the board of the
4 Iowa state fair foundation. The Iowa state fairgrounds trust
5 fund is not part of the state treasury. The fund shall be
6 composed exclusively of gifts accepted by the board in trust
7 from private donors or testators. The board may accept these
8 gifts in trust and shall fulfill its duties as trustee of
9 gifts accepted notwithstanding section 633.63. The trust
10 beneficiaries shall include all future attendees of events
11 held on the Iowa state fairgrounds. The fund shall be an
12 endowment fund to be used exclusively for the maintenance and
13 improvement of the Iowa state fairgrounds and for no other
14 purpose. The board shall decline any gifts not consistent with
15 these purposes.

16 2. Moneys in the Iowa state fairgrounds trust fund shall not
17 be deposited in the state treasury, but shall be held separate
18 and apart from both the state fair's operating moneys and the
19 state fair foundation fund established in section 173.22. The
20 board as trustee shall hold only legal title to these moneys,
21 which shall not form any part of the general fund of the state.
22 The moneys shall not be subject to appropriation by the general
23 assembly or subject to transfer pursuant to chapter 8. The
24 moneys are not and shall not be deemed public funds for any
25 purpose. The fund shall be an institutional endowment fund
26 within the meaning of and subject to chapter 540A. The fund
27 shall not be subject to audit by the auditor of state, but
28 shall be audited annually by a certified public accountant.
29 The annual audit shall be delivered to the auditor of state,
30 who may include it in any further report that the auditor of
31 state deems appropriate. However, an annual audit shall be a
32 confidential record to the extent required in section 22.7,
33 subsection 52. The moneys may be held in perpetuity, subject
34 to the provisions for release or modification of restrictions
35 on the moneys as provided in chapter 540A.

1 Sec. 6. Section 422.12D, subsections 1 and 2, Code 2011, are
2 amended to read as follows:

3 1. A person who files an individual or a joint income tax
4 return with the department of revenue under section 422.13
5 may designate one dollar or more to be paid to the foundation
6 fund of the Iowa state fair foundation as established in
7 section 173.22. If the refund due on the return or the payment
8 remitted with the return is insufficient to pay the amount
9 designated by the taxpayer to the ~~Iowa state fair~~ foundation
10 fund, the amount designated shall be reduced to the remaining
11 amount of the refund or the remaining amount remitted with the
12 return. The designation of a contribution to the ~~Iowa state~~
13 ~~fair~~ foundation fund under this section is irrevocable.

2. The director of revenue shall draft the income tax form to allow the designation of contributions to the ~~Iowa state fair~~ foundation fund on the tax return. The department, on or before January 31, shall transfer the total amount designated on the tax form due in the preceding year to the foundation fund ~~created pursuant to section 173.22.~~

20	EXPLANATION
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21 This bill creates an endowment trust fund known as the Iowa
22 state fairgrounds trust fund to be held by the Iowa state fair
23 board in its capacity as the Iowa state foundation board of
24 directors (a tax-exempt charitable organization under section
25 501(c)(3) of the Internal Revenue Code). The bill requires
26 that moneys in the fund must be used exclusively for the
27 maintenance and improvement of the Iowa state fairgrounds.
28 The fund must be held in perpetuity for the benefit of all
29 fairgoers and attendees of events at the state fairgrounds.
30 The fund must be composed exclusively of gifts accepted by the
31 board in trust from private donors or testators for deposit
32 into this fund. This fund is not part of the state treasury,
33 and is not subject to appropriation by the general assembly or
34 transfer by the department of management. Instead, the fund is
35 governed by Code chapter 540A (the "Uniform Prudent Management

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1 of Institutional Funds Act"). Records in possession of the
2 fair board that disclose a donor's or prospective donor's
3 personal information are confidential under Code chapter 22
4 governing Iowa's open records.